

Message Text

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ORIGIN OPIC-06

INFO OCT-01 AF-06 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 LAB-04 SIL-01

L-03 /080 R

DRAFTED BY OPIC/GC:CHUNT

APPROVED BY EB/IFD/OIA:RJSMITH

OPIC/ID:AKRAMISH

OPIC/F:BHENDERSON

OPIC/F:AHOPE

EB/IFD/OIA:DSTEBBING

AF/W:EWLOLLIS

----- 067291

R 130016Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY LAGOS

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E.O. 11652: N/A

TAGS: EFIN, EINV

SUBJECT: OPIC AGREEMENT

REF: LAGOS 12455

1. REFTEL REPORTS MIN FINANCE LEGAL ADVISOR OSAKWE SAYS
FMG VIEWS OPIC AGREEMENT AS SUPERFLUOUS IN VIEW OF THE
ICSIDE CONVENTION ON DISPUTE SETTLEMENT. EMBOFF REMARKS TO
OSAKWE WERE RIGHT ON TARGET IN STRESSING THAT OPIC AGREE-
MENT AND PROGRAMS OFFER MORE THAN DISPUTE SETTLEMENT PRO-
CEDURES. OSAKWE'S PROPOSAL OF DIALOGUE LEADING TO JOINT
TERMINATION OF THE AGREEMENT WAS HARDLY AN ENCOURAGING
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RESPONSE.

2. CAN WE IGNORE THIS APPROACH AND HOPE THAT THE ISSUE GOES AWAY? CAN EMBASSY TEST FMG ATTITUDES AT SUITABLY HIGH LEVEL ON CHANGE THAT MIN FIN, COMMISSIONER EKUKINAM AND/OR OSAKWE MAY BE ON OWN TANGENT WITHOUT FEC CONSIDERATION OR BACKING? COINCIDENTALLY, ON DECEMBER 11 DATE OF OSAKWE VISIT, NIGERIAN CHARGE A.I. OBE WAS KEY SPEAKER AT OPIC INVESTMENT SEMINAR IN WASHINGTON.

3. OPIC FINANCE V-P HOPE AND MRS. HENDERSON WILL CONFER WITH EMBASSY ON THIS DURING THEIR JANUARY 14-18 LAGOS VISIT. HOPEFULLY THEIR MEETINGS WITH FMG OFFICIALS WILL NOT GET DIVERTED INTO ISSUE RAISED BY OSAKWE, BUT WILL PROVIDE FURTHER PRACTICAL DEMONSTRATION TO FMG OF ADVANTAGES OF WORKING WITH OPIC PROGRAMS.

4. IF EMBASSY FINDS OFFICIAL FMG OPPOSITION TO IMPLEMENTING OPIC PROGRAMS, SUGGEST EMBASSY DEFER IN DEPTH APPROACH TO FMG UNTIL THE ARRIVAL IN LATE MARCH OF OPIC PRESIDENT MAYS WHO COULD EXPLAIN ADVANTAGES OF PROGRAM AT HIGHEST LEVELS. COULD TRY TO SCHEDULE AN EARLIER VISIT BY ANOTHER SENIOR OPIC OFFICIAL IF SITUATION WARRANTS.

5. POINTS TO BE MADE WOULD BE ELABORATION OF THEMES ALREADY INDICATED REFTEL. WHILE WE SUPPORT ICSID, HUNDREDS OF U.S. INVESTORS WORLDWIDE CONTINUE TO SEEK OPIC COVERAGE EACH YEAR. WHAT IS MOST OFTEN NEEDED IN THESE CASES IS A DEMONSTRATION OF THE ADVANTAGES OF OPIC COOPERATION WITH HOST COUNTRY INVESTMENT PROGRAMS AND PATIENT REBUTTAL OF NOTIONS THAT THE HOST GOVERNMENT GRANTS SPECIAL RIGHTS TO INVESTMENT OR INCURS BURDENSOME INTERNATIONAL OBLIGATIONS UNDER SUCH AN AGREEMENT.

6. OPIC HAS RECEIVED ONE FOREIGN GOVERNMENT APPROVAL FROM NIGERIA SINCE NEW AGREEMENT SIGNED. ABOUT SEVEN MORE AWAIT FMG ACTION, BUT PRIOR INDICATIONS TO OPIC HAVE POINTED TO BUREAUCRATIC DELAY AS THE CAUSE. KISSINGER

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